

BEFORE THE STATE OF SOUTH CAROLINA  
DEPARTMENT OF INSURANCE

In the Matter of:

Foundation Insurance Company

1061 521 Corporate Center Drive, Suite 140 )  
Fort Mill, S.C. 29715. )  
\_\_\_\_\_ )

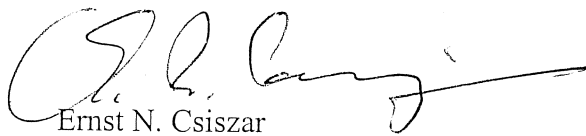
Order of Suspension  
of Certificate of Authority

On March 1, 2004, Foundation Insurance Company filed its 2003 Annual Statement with the Department. That Annual Statement shows surplus in the amount of <\$1,435,805> which impairs its capital and places Foundation Insurance Company in violation of S.C. Code Ann. Section 38-9-10(C) (1976, as amended). Delinquency proceeding were commenced by the Department on March 10, 2004. Foundation Insurance Company was instructed to bring its capital and surplus into compliance with S.C. Code Ann. Sections 38-9-10 (A) and (B) by April 9, 2004. Foundation Insurance Company failed to do so; thus, I have determined that Foundation Insurance Company is in an unsound condition.

S.C. Code Ann. § 38-5-120(A) (1976, as amended) requires "(t)he director or his designee of the State of South Carolina Department of Insurance shall revoke or suspend certificates of authority granted to an insurer and its officers and agents if he is of the opinion upon examination or other evidence" that "(t)he insurer is in an unsound condition" or "(t)he insurer's condition renders its proceedings hazardous to the public or to its policyholders." S.C. Code Ann. § 38-5-120(B) (1976, as amended) goes on to require that "(n)o new business may then be done by the insurer or its agents in this State while the default or disability continues nor until its authority to transact business is restored by the director or his designee."

It is, therefore, ordered that the Certificate of Authority of Foundation Insurance Company to transact insurance business within the State of South Carolina should be, and is hereby, suspended. No new business may be transacted by Foundation Insurance Company within this State unless, and until, the Certificate of Authority of Foundation Insurance Company is restored. A copy of this Order of Suspension must be transmitted by the Department of Insurance to the National Association of Insurance Commissioners for its distribution to its member states, and it must be published in newspapers of general, Statewide circulation. Further, all licensed State of South Carolina resident and non-resident insurance agents of Foundation Insurance Company must be given notice by the Department of Insurance, by regular mail, of this Order, and no new licenses or appointments may be issued by the Department to agents of Foundation Insurance Company.

This order becomes effective upon the date of my signature below.

  
Ernst N. Csiszar  
Director

April 12, 2004 at  
Columbia, South Carolina.